

# **Transcript of Governor Jindal's Remarks for the Opening of the 2010 Regular Legislative Session**

Members of the Legislature...honored guests...statewide elected officials...my fellow Louisianians.

Thank you for that warm reception. I hate to do this since you just sat down, I am going to ask everyone in the chamber to please join me in standing please for a moment of silence out of respect. We have lost a colleague since we have last met together. I'd like us to stand to remember Rep. Avon Honey. Spend a moment of silence remembering him and his family in our thoughts and prayers. Please join me in this moment.

Thank you very much.

Mr. President, Mr. Speaker, I want to thank you for the opportunity to come and address you at the opening of this very important session for the future of our great state.

Now I know that many of you have filed bills – and we're working with you on many important issues. Issues ranging from our continuing crack down on sexual predators to protect our children and families. Issues like cracking down on the drunk drivers that threaten our families on the streets of Louisiana. Issues to improve our retention and graduation rates in our schools.

And I know we'll have several weeks over the next few months to talk about these in great detail. But I don't come to you today to talk to you about every bill that's been filed or every issue in front of our state. Rather, I want to start by focusing on what I think is the greatest issue – the greatest challenge facing not only our state, but our country.

Look, it's no surprise, every time you turn on the TV, turn on the radio or pick up a newspaper – what you hear, what you read about is the economy. You see record unemployment rates, read about the record mortgage crisis, read about the greatest recession since the Great Depression has hit our country. And even though Louisiana continues to do better than the rest of the South and the rest of the country, we are not immune to this national recession.

It is no secret that our people are focused on one priority above all others. We could summarize it literally in three words – jobs, jobs, jobs. It's also no secret that the national recession has had a great impact not only on our families and our businesses, but on our state's budget as well. We as a state face a fundamental decision that we must make.

In every government, whether it's local, state, or national – faces the same decision. During tough budgetary times, during a tough economy, every government must decide whether we're willing to make the tough choices within government or whether we want to force this burden on the families and businesses of our state and our country.

And I'm here to tell you we stand ready to work with you to make these tough choices in government because we must not, we will not, transfer this burden on the working families and businesses of Louisiana.

Make no mistake about it – you have heard me say before and I’ll say it again – as long as I’m your Governor, we will not raise taxes on the people and the businesses of Louisiana. It makes no sense to transfer this burden to them, especially during this national recession.

I’m proud we’ve submitted a budget to you that is balanced, a budget that not only fully funds the MFP formula, it does not cut the MFP formula for Pre-K through 12, a budget that does not cut our higher education institutions, a budget that replaces lost federal dollars for LSU, for our rural hospitals, but also a budget that does all that without raising taxes.

A budget by the end of this cycle, we will now have reduced 6,000 funded government positions since we’ve taken office. This budget reflects a drop in funding of over five billion dollars – over 18% from last year.

This is a budget that by working together can help us to move our state forward. And we still face ongoing challenges. We know that we may have to make additional reductions in the occurring year and the next year as well.

We’ve already begun to address those issues, we’ve already implemented our third hiring freeze, we’ve implemented a spending freeze. We’ve frozen all pay increases for state employees. We are also reducing the state’s vehicle fleet and taking other steps recommended by our state’s streamlining commission, created by the Legislature last year, to make sure that we live within our means.

We will continue to make our tough choices to move our state forward. Now some may question...whether there isn’t an easier way out.

Indeed, every time I can remember in our state’s history, whenever we have faced fiscal challenges, our state has done one of two things: we’ve either raised taxes on our people or we’ve expanded gambling. We will not, we must not do that in facing the challenges we face today.

But there are some that argue we can avoid making the hard choices – you don’t have to look any farther than our nation’s capitol to see what I would call, “The Washington Way.”

What do I mean by that? In “The Washington Way” they continue to print money...borrow money from China. They continue to raise taxes, spend more of our children’s money.

The national debt will reach over \$14 trillion this year – \$26 trillion dollars in a decade’s time. Make no mistake about what that means this year. Just this year’s debt level alone equates to over \$45,000 for every American. \$100,000 for every American family.

We are literally spending our children’s and grandchildren’s money in our nation’s capitol. Make no mistake, that is not a sustainable model. If they continue to spend money they do not have, they will continue to see – you will see interest rates go up, you will see inflationary rates go up, you’ll see the value of our dollar go down.

That is not a sustainable model. And there are states across this country that have attempted this model. There are states unlike Louisiana that have tried to solve their budget challenges by

raising taxes on the backs of their families and their businesses. And the result is those states, many of those states, their economies aren't doing as well as Louisiana's.

Many of those states face even larger budget challenges this year and next year. Make no mistake about it. There has never been a country, never been a state that has ever been able to tax, spend and borrow their way back into prosperity and America will not become the first. We said we must make the tough choices. But even as we're making tough choices here at home, even as we do not pursue "The Washington Way" in Baton Rouge, we must still move our state forward.

The reality is we have the opportunity to make changes, to make decisions that will affect this state for generations to come in a positive direction. And I want to focus with you on three critical areas as we continue to invest in and move higher education and health care and education in general forward in our state. Let me start though by saying one of the first things we've got to do.

We've got to give this body, we've got to give this administration and future bodies and future administrations more flexibility when it comes to funding our true priorities. Over the years, our state has locked up more than \$3.9 billion in statutory funds.

I know you agree with me that every government program, every government dollar should be able and should be required to compete based on outcomes and priorities to be funded. And what that means – and I want to praise Senate President, Senator Chaisson and Senator Michot, they and others have offered a number of Constitutional amendments that will help to change the way we spend our dollars, to make sure we can continue to prioritize education and healthcare and other critical priorities for our state.

For example, there are proposed Constitutional amendments to make it easier, in healthcare to use the Louisiana fund, to invest in healthcare for our people. There are proposed Constitutional amendments to make it easier for us to access the educational quality trust fund in difficult times.

Proposed Constitutional amendments also to change the Rainy Day Fund so that we should be able to deposit more dollars in the Rainy Day Fund during good years so the fund can be more practical and usable during tough years.

And you'll also find, there's a Constitutional amendment also to increase from five to ten percent the portion of statutorily dedicated funds that can be reduced during tough budgetary times – both during regular and mid-year budgetary changes.

It is important if we want to move forward in education and health care, that we change our budgeting process. Our programs and our dollars shouldn't be on the table. We should be able to invest based on priorities, accountability and results. And secondly, we must continue to make progress for our children and our state's future. It truly is a foundation for continued strong economic growth.

Let me share with you four initiatives I think are critical to moving our state forward.

First, we have proposed the Red Tape Reduction Act. This is an act that gives our K-12 schools the ability to cut through the bureaucracy in return for accountability.

So often we've heard from schools that complain that we give flexibility to charter schools or we've heard from public schools that the state only helps them through the recovery district when it's time for a state takeover. And so many times they say they would like some help before they get to that point. That's exactly what the Red Tape Reduction Act does. It says to local school districts that local schools are their choice.

Maybe they want to vary the calendar year, maybe they want to vary the school year. Maybe they want to spend more time on reading or math – maybe they want more students to go to a particularly good teacher. The point is this – in return they'll have to enter into a binding four-year contract guaranteeing their students are learning or they'll face dire consequences.

The bottom line is it should be about student performance, not bureaucracy or red tape.

Second, a second initiative we must pursue in education as well, we must reduce our dropout rate going through our Pre-K through 12 school system.

You heard me say it last year and at the opening of the session every year in Louisiana – 15,000 of our students drop out before they finish high school. Every year we end up locking up about 15,000 of our people in prison. By the way – we release another 15,000. We end up re-arresting over half of them in the first five years. We already have one of the highest per capita incarceration rates in the entire country.

We know that those students who finish school are more likely to stay out of trouble, to get good-paying jobs, to not need further government assistance. But we know the opposite is true as well. We know that students who drop out are more likely to end up in jail, in welfare and in poverty. We know we've gotta break these cycles. Now here's the bad news and then the good news.

The bad news – in Louisiana we've got a pre-GED skills option program where approximately 7 percent of those students finish their GED. I guarantee you there's not a business in our state that would accept a greater than 90 percent failure rate. Only 7 percent of those students complete their GED.

Here's the good news. At the same time we've got a program with only 7 percent of folks completing their GEDs, we've also got an award winning program called JAG and a new program you helped us create last year called EMPLOY. Jobs for America's Graduates literally won a national award this year – over 50 percent of their at-risk students completed their studies.

Over 90 percent of their students end up graduating. We're proposing through legislation and through BESE resolutions that we shift funding from the programs that don't work to the programs that do work. Instead of funding programs with a greater than 90 percent failure rate, let's invest in programs that are actually helping our at-risk students.

And let's also transfer our adult education from BESE to the Louisiana and Technical Colleges so they can focus on skills and job training.

Our third initiative we must pursue in education is value-added assessments. Bottom line – last year you helped us to fund value-added assessments, this year we're proposing to implement

value-added assessments. The bottom line is, let's reward those teachers, let's reward those classrooms where our students are learning.

It needs to be about student outcomes. So if a teacher starts with a student that is below grade-level and ends the year with the student above grade-level – let's reward our teachers for teaching in the harder environments, the harder subjects, and starting off with students that are below grade-level and ending up at or above grade-level. The point is – let's focus on student achievement.

Our fourth and final education initiative concerns higher education. The Louisiana GRAD Act, I told you before we've submitted a budget that does not contain cuts proposed cuts for higher education because that's our Louisiana community and technical colleges, as well as our universities – but it is important even while we are not cutting those campuses, it is important that we make real changes in higher education.

We have proposed the LA GRAD act for one simple reason: our funding, our flexibility should be based on outcomes for our students. In the same way that we have proposed to give more flexibility to our Pre-K through 12 schools in return for student achievement, we need to do the same thing in higher education.

And so we are proposing to give higher education campuses more flexibility when it comes to purchasing, and IT, and capital outlay and tuition. But in return, they've got to improve their performance. Among several indicators, one of the most important being graduation and retention rates.

Why is this important? You know I could give you a long list of statistics where Louisiana was ranked in the top ten per capita spending per income spending in higher education. We've doubled higher education spending 10 years going through 2009. And yet here is the number that stands out the most to me. Despite all that progress, despite all that work happening to this state, Louisiana today has the second lowest graduation rate in the entire south.

Now even after six years at our four year schools our graduation rate is still below 40 percent. The next lowest Southern state is 10 points better than us. Make no mistake about this, if we had the second worst football program, you and I would be demanding that the coach be fired and that we replace and reconstitute the program.

We need to demand the same excellence in our classrooms and our research laboratories as we do on the athletic fields. I want to thank Speaker Tucker and President Chaisson for offering this very important legislation. There are going to be other education initiatives we'll be working on with you to continue to move forward in education.

But I want to turn my attention to health care for a few minutes. Talk about some of the important advances we must make this year in providing better health care for our people. Now clearly we're impacted by changes in federal funding and in federal law so to start with that we'll lose \$200 million in federal funding for our health care program starting July 1<sup>st</sup> of this year. Primarily those cuts will be emphasized in the LSU hospitals in the rural hospitals, and our mental health institutions.

We've replaced dollar for dollar the funding, we've replaced the lost federal funding dollar for dollar in our LSU hospitals, in our rural hospitals. We've replaced most of the funding in our mental health facilities as well.

But even as we transition due to this loss of federal funding we know it is time to do more with the dollars we've already invested in healthcare. Whether it's prompted by cuts or changes in federal policy, or whether it's prompted by the fact that it's the right thing to do, now is the time for us to invest more in private/public partnerships.

Now is the time for us to put more resources for preventative and primary care to keep our people healthier before they need institutional care. Now is the time to provide a true continuum of care. So people get the services they need in the community before they end up in an institution. As an example, Louisiana ranks fourth worst in non-emergency as far as purchase agreements. That has got to change.

And I want to applaud the Legislature and thank you for approving the recent historic partnership between LSU and Our Lady of the Lake. We didn't have over \$400 million for new bricks and mortar. Instead, you've chosen to invest \$14 million in a new historic partnership. Now for the first time in Baton Rouge, by the way, provide level 1 trauma centers. For the first time provide a 24/7 urgent care center for those that can't afford to go see a primary care provider in another setting.

For the first time, for the uninsured, will give them guaranteed access to services like neurosurgeons and other services that weren't provided at Earl K. Long. The point is, we need to be even more aggressive as we work across the state to find community specific solutions that help our people access the health care that they need, whether it's the office of mental health, OCDD or OADA. This budget is very aggressive in partnering with the private sector and investing in community and preventative care and alternatives.

And I do want to say for just a couple of minutes, we are also certainly impacted going forward by other federal changes in healthcare policy. The recently passed healthcare legislation certainly cuts Medicare by \$500 billion. It raises taxes by \$500 billion dollars, spends over a trillion dollars over 10 years, two trillion dollars over ten years of actual spending.

For the State of Louisiana, combined with the recent changes in DSH, reduced our DSH cap by almost half when combined with the recent reductions. It also requires the State of Louisiana to ultimately enroll over 360,000 new enrollees in our Medicaid program and an eventual cost of over \$345 million a year. An unfunded mandate that this state at some point will have to confront and absorb and deal with on top of our other challenges in the years ahead.

This legislation will also change the way that Louisiana funds our public healthcare institutions because of its changes to the DSH law and the DSH allocations. I want to thank, I know various legislators, filed and will be filing a couple pieces of legislation and I know there has already been legislation expressing that Louisiana is very concerned on constitutional grounds about this unfunded mandate, about this individual mandate.

And under the 10<sup>th</sup> Amendment to the Constitution, I know that there will be legislation in this body to object on constitutional grounds to protect the rights of our citizens and I applaud that legislation. I understand Representative Hoffman will be filing legislation to make sure that

Louisiana taxpayer dollars are not being used to subsidize elective abortions in our state with these new exchanges that have been created.

We can't stop the federal government from taking our tax dollars and subsidizing elective abortions in other states, but at least we here in Louisiana can stand up and protect innocent human life and make sure those tax dollars aren't used that way here in Louisiana.

There will be many other bills, many other issues, many other challenges. But as I begin to wrap up I want to note a couple of things that I have said to you before. And I'll start with something I said last year. I came here and told you that as we continue to move our state forward that we are not looking for Democratic solutions or Republican solutions – we're looking for Louisiana solutions.

And I tell you today, we're not here looking for Democratic solutions or Republican solutions or Independent solutions, I should say that now you've got a new Speaker Pro-tem in the House.

And I want to congratulate both Noble and Joel for their excellent campaigns but also their very very respectful remarks on the floor, let's give both gentlemen a round of applause.

We're also not looking for House solutions, administration solutions or Senate solutions – we must be interested in putting the people's business first.

And the reason I think it is so important during these tough economic times for us not to shift this burden to our people, the reason I think it is so important that we continue to make these decisions and make government operate and do more on less, is that that is the only way we will continue to outperform the southern and the national economies. That is the only way we will continue to create the good paying jobs that will keep our children and grandchildren at home.

Look at some of the numbers. You know when we started two years ago, we revamped our ethics laws and enacted some of the nation's toughest laws. We've cut taxes, including getting rid of some of the most onerous business taxes in our state's history. We also revamped our workforce training programs and this year we're asking to continue to move forward in education and health care and look at some of the results: Portfolio.com says Louisiana's economy has performed the second best in the entire country during the national recession. Gallup came out a few weeks ago and said Louisiana is the third best state in the country for creating jobs.

On just Friday of last week, new unemployment numbers came out and every region of our state showed fewer unemployed, more people working, and for every single month of this recession our unemployment rate has been lower than the Southern and national averages.

Indeed, look throughout all the different numbers, Southern Business Development ranked Louisiana and Tennessee two of the best states in the South when it comes to economic development. But the number that stands out the most to me, because there is a long list of numbers, showing we've outperformed the Southern and national economies.

But the number that stands out to me, is that after twenty years of losing our people, two decades of net out-migration, more people moving out more quickly than moving in, we have now had three years in a row according to the Census Bureau, of more people moving into Louisiana rather than leaving.

Mayflower, United Van Company, and others remark that Louisiana has now become one of the top destinations for people moving here rather than leaving here. You made the tough choices two years in a row, it's one of the reasons Fitch has upgraded our credit rating to the highest rating ever given to Louisiana. Two years in a row, one of the few states to actually get an upgrade instead of a downgrade.

And so I'm asking you to join with us as we join with you to work together to continue to create the new Louisiana we promised the voters a little over two years ago. Let's continue working to create that new Louisiana and I hope you'll join with me, and making this commitment that we must not, we will not, shift this burden from government to the people, to the families, to the businesses of Louisiana that truly do create the jobs and opportunities.

Make no mistake about it, government doesn't create wealth and government doesn't create jobs. It is our job to give our people a new Louisiana, so our children and our grandchildren can pursue their dreams without leaving home.

I know we have enormous challenges but these are enormous opportunities.

If anybody doubts our ability to get them done, I'd ask you just to consider this: for 43 years, the New Orleans Saints have been unable to much less get into a Super Bowl, but much less win a Super Bowl. After 43 years they overcame the odds, they overcame the skeptics, they overcame one of our very own, the NFL's second best quarterback up there with Indianapolis.

If the New Orleans Saints, after 43 long years, can go farther than anybody predicted, other than my little daughter, and win the Super Bowl, there is no doubt in my mind, that Louisiana can be number one in economic development, in our quality of life, in our education, in our health care; and there's no doubt in my mind we can continue to move our state forward to create that new Louisiana so that our children and grandchildren can continue to pursue their dreams right here at home in the greatest state in the greatest country in the history of the world.

God bless you, God bless this great state of Louisiana, thank you.